

USAID/Benin

Annual Report

FY 2004

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Benin

Performance:

Benin is at a critical point in its efforts to build a pluralist democracy after abandoning a Marxist-Leninist military regime fourteen years ago. At one level, prospects are positive. IMF figures show GDP growth at 5 percent or better for 2000-03. Healthy GDP growth rates are expected to continue. The projection for 2004 is 6.5 percent. Benin continues to enjoy a reputation as a democratic model for the region. Municipal elections in December 2002 marked a critical step in decentralizing government and giving the Beninese people a greater voice in managing their democracy. Benin scores well in indices of governance compared to other countries in the region. The country serves as a model for freedom of the press as evidenced by the proliferation of radio stations and newspapers which offer scope for lively public debates on issues ranging from education reform to decentralization to corruption. Notable progress has been achieved in health and education over the last decade. Benin has experienced a reduction in infant mortality from 116 per 1,000 live births in 1996 to 89 in 2001. Official though unreliable government figures for 2001 suggest that HIV/AIDS prevalence at 4.1 percent is low compared to neighboring countries. World Bank figures show that gross enrollment rates for primary school have been steadily rising over the past decade and in 2001 stood at over 98 percent, significantly higher than the average 78 percent for Sub-Saharan Africa.

Yet Benin faces formidable challenges. The economy is vulnerable to external economic shocks, primarily due to its continued reliance on cotton as a source of income and foreign exchange. While Benin qualified for the last payout from the IMF Poverty Reduction and Growth Facility, there were notable weaknesses. Fiscal performance was off track. This was attributed to overruns in the election budget and weak custom's administration. These two factors brought the fiscal deficit to 0.4 percent of GDP. Benin's reputation in governance must be balanced against other considerations. Toward the end of fiscal year 2003, speculation in the local and international press was mounting that there may be a serious effort put forward to amend the constitution and remove the current age limit which bars the current president from standing for re-election. This effort is expected to meet with stiff resistance from opposition parties and the independent press. Observers of the local political scene believe that an amendment is not likely to happen. Nevertheless, the fact that this amendment is being seriously discussed does confirm a growing awareness of political debate. Corruption continues to pose a serious threat to long-term development efforts despite government rhetoric and some limited actions to combat the problem. Recent revelations that numerous high-ranking officials may be implicated as accomplices in an international car theft operation underscore the nature of corruption in Benin's political system.

Despite improvements in health and education indicators, Benin still figures among the countries that have the lowest health and education standards in the world. It is ranked 159 of 175 countries on the UNDP human development index for 2003. Compared to other countries in the sub-region Benin ranks behind Ghana, Togo, Nigeria and Senegal but ahead of Cote d'Ivoire, Mali, Burkina Faso and Niger. HIV/AIDS prevalence at 4.1 percent is low compared to neighboring countries. However, high prevalence rates among certain high risk groups point to a danger that the epidemic could begin to rapidly unfold. Benin's prospects for meeting millennium development goals for health and education are threatened by the fact that spending on health and education is below target. The government also faces formidable constraints to implementing plans for improving health and education that were developed under its poverty reduction strategy. Donors have specifically noted constraints in management and implementation capacity. They have also noted that spending priorities often focus on investments in infrastructure. While the number of schools and health clinics need to grow in order to meet the needs of a rapidly growing and increasingly young population, spending for infrastructure needs to be balanced by ensuring that sufficient numbers of adequately trained staff are available to serve in these new facilities.

Benin has a long history of relative stability and potential for civil strife is low. There are underlying social and ethnic tensions. The government's slowness in addressing teacher grievances regarding low salaries and their demand for a change to the personnel management system for teachers are root causes of prolonged teacher strikes. Recently strikes have been threatened by government workers who wanted to have a greater voice in the unfolding of privatization plans for port operations and the state-owned electrical utility. Moreover, the recent decision by the Nigerian government to temporarily close its border with Benin laid bare economic tensions which, had the closure continued for a few more weeks, could easily have provoked street disturbances. However, compared to some of the turmoil experienced at various times in neighboring Nigeria and Togo, Benin has been more peaceful.

The World Bank estimates that population of Benin was about 6.8 million in 2002. Annual population growth is estimated at 2.5 percent. Per capita income stood at \$380 in 2001. The economy is dependent primarily on agriculture which in 2002 accounted for 35.5 percent of GDP. The predominant cash crop is cotton which accounted for 76 percent of exports on average over the period 2000-2002. Services account for about 50 percent of GDP. This reflects Benin's role as a transit hub for goods destined for Nigeria, Niger and Burkina Faso. Benin's debt service to GDP ratio is an estimated 2.3 percent for 2002.

U.S. government interest in Benin lies in continuing to support democracy, economic growth, stability and security in the region. Benin is a supporter of the United States in the war on terrorism. Trade between Benin and the United States is small but interest in U.S. products is growing. U.S. interest in promoting trade with Benin is tied to increasing trade with Benin's neighbors, particularly Nigeria, Niger and Burkina Faso. Large amounts of the imports for these countries pass through the port of Cotonou. The U.S. Government works to stimulate American investment in key sectors such as energy, telecommunications and transportation. Benin is eligible to benefit from the African Growth and Opportunity Act and the U.S. mission has been working to bring training and technical expertise that would help place Benin to take better advantage of this benefit.

The P.L. 480 Title II program in Benin is closely integrated into the Mission's country strategy. The school canteen program is linked to the Mission's education program. The Title II grantee works with parent associations to establish school canteens and provide association members with training to manage the canteen program along with some of the food served in the canteens. The communities also contribute food that is produced locally. Child survival activities in the Borgou-Alibori are closely linked to the bilateral health program. The Title II grantee and the chief USAID contractor collaborate on program interventions and jointly conduct a bi-annual assessment. Reporting under the village banking program is integrated into the Mission's program promoting economic governance. Title II village banking activities complement Mission support to the microfinance sector. The village banking program is the only part of the Title II program which operates totally with monetized funds. Title II activities also include a social relief program which entails distribution of food rations to organizations such as orphanages and old age homes.

USAID participates regularly in donor coordinating committees in all program sectors. USAID coordinates its program efforts most closely with the following donors: European Union (governance and health), World Bank (governance and education), UNICEF (education and health), Belgium (governance), France (governance and education), Switzerland (governance and health), UNDP (governance), Netherlands (governance), Canada (governance), Germany (governance) and Denmark (governance).

Key achievements:

Basic Education: USAID interventions are focused on improving access to primary education in Benin. Over the life of the program USAID has worked closely with the Government of Benin to design a new primary education curriculum and introduce it in all primary school grades. The intermediate results under this strategic objective are: 1) improving the quality of teaching and learning; 2) increasing girls' enrollment in and completion of primary school; 3) improving the involvement of communities in the management of the education sector, and 4) improving planning and management skills of staff within the Ministry of Primary and Secondary Education. Over the life of the program targets have generally been

met or exceeded. This year key milestones were met for introducing the new curriculum into grade 5. Teacher training was accomplished as planned. Targets were met for printing and distribution of textbooks and educational materials. Prolonged teacher strikes over the past two years, lack of qualified teachers and the fact that many trained teachers are not applying the new skills they are learning in the classroom could constitute a significant constraint to continued progress. These are already having a severe impact on learning in classroom. USAID is working closely with the Ministry to develop and implement plans to address this issue. Plans include developing a communication strategy so that the Beninese public can better understand what is involved in the reform and a plan for improving teacher training so that teachers have more practice to master new skills.

Family Health: USAID interventions focus on family planning, maternal and child health, and HIV/AIDS. Regionally, activities focus on implementing nationally adopted programs and policies, such as family health standards of care, integrated management of childhood illnesses (IMCI), and emergency obstetrical and neonatal care. USAID also works with the Ministry of Health to effectively implement decentralization for the health sector. The intermediate results under this strategic objective are: 1) improving health care policies; 2) improving access to health services; 3) improving quality of care from service providers and 4) increasing demand for services. Over the life of the program, targets have consistently been met or exceeded, and family health in Benin has continued to improve. HIV prevalence, currently estimated to be 4.1 percent, is not much changed over the past few years but prevalence within certain high risk groups is high. Attention is now being called to the epidemic spreading more broadly from high risk groups to the general public. During this year there was a slow down in social marketing campaigns that resulted in a shortfall of expected sales of socially marketed products such as condoms and oral rehydration salts. USAID has taken the necessary steps to bring social marketing activities back on track.

Governance: USAID interventions are focused on three intermediate results: 1) supporting decentralization and devolution of authorities to local communities; 2) strengthening the fight against corruption and child trafficking; and 3) improving the productivity of small farmers and producers in targeted areas of Benin, and reinforcing the capacities of local microfinance institutions. Over the life of the program, targets have generally been met or exceeded. This year targets were met for the set number of audits conducted by Government auditors who have benefited from specialized training. This part of the USAID governance program has made a significant contribution toward fostering a climate of increased transparency and accountability. Corruption continues to be a serious constraint to prospects for continued strong economic growth. This will continue to be a major focus of the USAID program in the future. This year a new activity in decentralization is just getting underway. A private-public alliance to promote cultivation of sunflower as an alternative to cotton started up this year as well.

Gender: In Benin, as in most developing countries, women contribute substantially to national production as well as household income. However, the majority of women, especially those in rural areas, continue to face numerous constraints including absence of gender-equitable legislation, limited access to land and capital, as well as the lack of political, social and decision-making powers, leading to increased impoverishment. Representation of women in the National Assembly is low. Very few women have risen to the level of government ministers. The constitution of 1990 confirms the equality of men and women by law. Benin adheres to several international conventions regarding non discrimination against women. Yet Benin has not enacted any legislation that promotes gender equity. Only customary law of 1931 and a French family code of 1960, both out-of-date, are enforced in Court to judge family disputes.

Gender is integrated across all three strategic objectives. The Basic Education program has a specific intermediate result that focuses on promoting education for girls. The Family Health program works with women's NGOs to disseminate health-related information. The Governance program funds local NGOs to undertake activities specifically targeted toward promoting the status of women.

Trade Capacity Building: The Mission program does not have a component that focuses specifically on trade capacity building. However promotion of the African Growth and Opportunity Act is promoted under the U.S. Embassy program. Here USAID works with the Embassy to access services through the West Africa Regional Trade Hub in Accra. The trade hub is funded through USAID's West Africa Regional

Program.

Country Close and Graduation: None

Results Framework

680-001 More Children Receive a Quality Basic Education on an Equitable Basis

SO Level Indicator(s):

- Gross Enrollment Rate
- Student Promotion Rate
- Textbook and Workbook student Ratio
- 1** Improved Pedagogical System
- 2** Increased Girls Enrollment in Target Areas
- 3** Improved Environment for Stakeholders
- 4** Improved Management of the Education System (in the context of decentralization)

680-002 Increased use of family health services and preventive measures in a supportive policy environment

SO Level Indicator(s):

- Contraceptive Prevalence Rate (CPR) %
- Couple Year Protection (%)
- Exclusive Breastfeeding in Borgou-Alibori
- Exclusive Breastfeeding in Borgou-Alibori (%)
- Immunization Coverage in Targeted Communities (%)
- Sales of Socially Marketed Condoms (Millions)
- 1** Improved Policy Environment
- 2** Increased Access to Services and Products
- 3** Improved Quality of Services
- 4** Increased Demand for Health Services and Prevention Measures

680-003 Improved governance in productive and social sectors

SO Level Indicator(s):

- Number of public accounts audited annually by Supreme Audit Institutions
- IR 1** Participation and management capacities of decentralized stakeholders increased.
- IR 1.1** Local and national officials governance capacities strengthened
- IR 1.2** NGO networks, women's groups and agricultural associations capacities in management and advocacy strengthened
- IR 2** Strengthened mechanisms to promote transparency and accountability
- IR 2.1** Supreme Audit Institutions capacities reinforced
- IR 2.2** Efforts to combat corruption increased
- IR 2.3** Use of New Technologies for Information and Communication (NTIC) increased
- IR 3** Improved environment for private and local initiatives
- IR 3.1** Access to new agricultural technologies and market opportunities
- IR 3.2** Local communities' access to financial resources increased